GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5050
ANSWERED ON:25.04.2003
LOAN/GRANTS TO STATES
RAM SINGH KASWAN;Y.G. MAHAJAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the amount provided by the Union Government to the States as loan and grants during the Ninth Five year Plan, State-wise;

(b) whether the States had urged upon the Union Government to enhance the amounts of grants during the Tenth Five Year Plan;

(c) if so, the details thereof; and

(d) the decision taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) A statement is enclosed.

(b) & (c) As a part of the State's suggestion for a revision in the Gadgil Formula and in the subsequent discussions in the 49th meeting of the National Development Council (NDC) held on 1st September, 2001,several non special category States have, inter alia, proposed liberalising the existing loan-grant ratio for Central Plan Assistance.

(d) Existing Loan-Grant Ratio of Plan Assistance to the States is based on the Gadgil formula as approved by the National Development Council (NDC) in December, 1991.Any change in the Formula requires the approval of the NDC.Moreover, a change in the existing ratio has implications on Centre's revenue and capital receipts and thereby on the Plan Assistance to States.Hence, any decision on this subject would be based on the overall resource position of the Centre and the decision of the NDC in this regard.